

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN DALE MAHLUM**, on April 3, 2001 at 3:15 P.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. Dale Mahlum, Chairman (R)
Sen. John C. Bohlinger, Vice Chairman (R)
Sen. Chris Christiaens (D)
Sen. Bill Glaser (R)
Sen. Duane Grimes (R)
Sen. Don Hargrove (R)
Sen. Ken Miller (R)
Sen. Emily Stonington (D)

Members Excused: Sen. John Cobb (R)
Sen. Jim Elliott (D)
Sen. Ken Toole (D)

Members Absent: None.

Staff Present: Leanne Kurtz, Legislative Branch
Mary Gay Wells, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: Committee Resolution Bill
LC1748

Executive Action: CRB LC1748 Became
SJR 22 Be Adopted

{Tape : 1; Side : A; Approx. Time Counter : 0}

HEARING ON CRB LC1748**Comments and Questions from Committee Members and Responses:**

CHAIRMAN DALE MAHLUM opened the meeting to discuss LC1748 **EXHIBIT (los75a01)**. This came about from HB 409 which they had heard. He asked **Leanne Kurtz** to speak about the bill.

Ms. Kurtz related that the suggested resolution had come from the subcommittee of **SENATORS MILLER, GLASER AND CHRISTIAENS**. They had a meeting to discuss HB 409. The final consensus was reached and an amendment was put on the bill. The amendment dealt with putting a cap on mill levies proposed by local governments in order to take care of rising costs of health insurance claims.

A group of health care providers and insurance providers had attended the meeting. **SEN. MILLER, CHAIRMAN**, had given her a list of "whereas" statements that the group had come up with. Other individuals had asked her to add things. She felt the committee could decide which ones to keep.

She had asked Susan Fox, Legislative Staffer for Public Health, to help her come up with some ideas. On page 2, numbers 1-6 were what they had decided to include. They were not mandates, but were guidelines.

She handed out a list called "Study Roster-57th Legislative Session (revised March 19, 2001) **EXHIBIT (los75a02)**". This showed the number of interim studies already being considered. If this bill were to pass, it would be included on this list. After the session is finished, the legislators are asked to rank the list in order of their importance to them. Legislative Council then would assign the studies to interim committees.

SEN. DUANE GRIMES felt that it was a guise to go after ARISA. He wanted to know who brought up number 1 on page 2. **Ms. Kurtz** replied that was suggested by Ms. Fox.

SEN. EMILY STONINGTON indicated that the idea for this bill had come from **SEN. CHRIS CHRISTIAENS**. She wanted to know what the discussion was as to the ability of an interim committee to really address those issues. She had served on Health Care Advisory Council one interim and those issues are so complex and big that they barely scratched the surface.

SEN. CHRISTIAENS knew that when he heard local governments were in such trouble paying claims out of their operating funds, he felt something needed to be done. The state fund itself had

overspent by some \$6 million for public employees' insurance. He asked the different entities who had come to the subcommittee meeting to come up with some ideas. He felt there might even be a special session to address this issue.

SEN. STONINGTON thought the issue might be too big for an interim committee study. It could possibly stand alone. There might even be an appropriations needed.

SEN. CHRISTIAENS said that each interim committee has \$25,000. He felt that would allow the legislature the ability to have the insurance commissioner's office, the governor's office and even some private funds come together, or it could be contracted out.

Ms. Kurtz said there should be no problem with contracting it out. One problem is the staffing.

SEN. GRIMES stated that when Montana had the Health Care Authority, headed by former Rep. Dorothy Bradley, it cost the state over \$1 million. Then there was the Health Care Advisory Council that he had served on for two interims. The Council was dedicated to nothing but this. That went by the wayside. The issue is a monster and there is no question is it going to be another major crisis in the future. He felt the best thing to do would be go back and repeal things that they had not been able to do before. There would be a lot of federal stuff to be repealed. An interim study, in his opinion, would end up with nitpicking among the groups and fighting between the have's and have not's.

He suggested that the study might narrow it's focus and pick one or two things that would apply to local governments. A bill that was passed out today gave some flexibility to the state to provide for some health care options.

SEN. CHRISTIAENS reiterated his statement of having a head start on this issue and not wait for a crisis.

SEN. GRIMES informed the committee that out of the two interim committees and reviewing the information from the Health Care Authority, the conclusion was the state needs accurate data in order to make decisions. He had carried a bill in the House, two or three sessions ago, to build a data base. Other states have done this. This would have helped to have had that information to begin a study. That is still not available nor will those providers who want to come to the table make that information available. The only things they make available is to their advantage. The state has not mandated that they bring certain information forward. He believed that an interim study would not do anything at this time.

CHAIRMAN MAHLUM thought this type of resolution should come from Public Health and not Local Government.

SEN. MILLER made the comment that this committee was only the vehicle to carry the bill forward. Who is on these studies determines what and how much is accomplished. It seemed to be a "roll of the dice." It takes three-quarter vote to get a committee bill in.

SEN. GRIMES recalled that HB 409 had just passed through their committee which allowed cities to have a mill levy to help them with their problems. He looked for ways to narrow the whereas statements. Rural Montana is not too sympathetic to health care costs which are spiraling for government workers. They don't have insurance themselves.

CHAIRMAN MAHLUM inquired if the committee wanted to go ahead with the resolution or not.

Motion: SEN. CHRISTIAENS moved to **DRAFT A BILL FROM LC1748.**

Discussion:

SEN. CHRISTIAENS suggested that Legislative Council could do a paper on compilation of information. That might be all that was needed at this point. That, with a review of current literature and issues, would give a starting point for the next session. Most insurance policies are increasing between 30% to 50%.

SEN. STONINGTON offered that a legislative body tends to act when a crisis arises. Given the complexity of this impending crisis, if Medicaid costs take off again, if the number of uninsured people spiral out of control, if the state health care plan takes off, etc., then there will be a concrete crisis. Then something will have to be done. She agreed that there was a crisis coming in health care costs, but she was not sure another study would be helpful.

SEN. GRIMES offered that it would be important to educate legislators with the new term limits in effect. He did not know how to do that. One of the key whereas statements addresses that issue. The interim committees had produced all kinds of information and no one read it. They had come forward with price comparisons, data on hospitals, etc. No one seemed to care.

SEN. DON HARGROVE stated that he had missed most of the meeting, but he wanted to add that he would support the resolution. Even if they felt like they were spinning their wheels, he thought it

was necessary. He did not know how to make a study productive other than the motivation of the people in the state and he felt that was there.

Vote: Motion **carried 6-1. Senator Grimes voted no.**

Committee Resolution Bill LC1748 became SJR 22

Senators Bohlinger, Cobb, Elliott and Toole were not present to vote.

ADJOURNMENT

Adjournment: 3:45 P.M.

SEN. DALE MAHLUM, Chairman

MARY GAY WELLS, Secretary

DM/MW

EXHIBIT (los75aad)